

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

In re:

**Geralex, Inc.,**

Debtor.

Chapter 11  
Bankruptcy No. 16-6479  
Honorable Pamela S. Hollis

**COVER SHEET FOR THE SECOND AND FINAL FEE  
APPLICATION OF THE LAW OFFICE OF WILLIAM J. FACTOR**

Name of Applicant: The Law of William J. Factor, Ltd.

Authorized to Provide to: Geralex, Inc. debtor and debtor in possession

Period for Which Compensation is Sought: February 26, 2016 through February 28, 2017

Amount of Fees Sought: \$5,042.50

This is a: Second and Final Fee Application

Prior fee applications:

Date Filed	Period Covered	Total Requested	Total Allowed	Previously Paid
3/9/2017	2/26/2016 – 2/28/2017	\$57,259.49	\$50,196.99	\$20,235.50
5/19/2017	2/26/2016 – 2/28/2017	\$5,042.50		

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

In re:

GERALEX, INC.,

Debtor.

Chapter 11

Bankruptcy No. 16-06479

Honorable Pamela S. Hollis

**NOTICE OF MOTION**

PLEASE TAKE NOTICE that on June 22, 2017, at 10:00 a.m. or as soon thereafter as counsel may be heard, the undersigned attorneys shall appear before the Honorable Pamela S. Hollis, United States Bankruptcy Judge for the Northern District of Illinois, in Courtroom 644 of the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois, and then and there shall present the Factorlaw's Second and Final Fee Application for Allowance of Compensation and Reimbursement of Expenses, a copy of which is attached hereto and herewith served upon you.

Dated: May 19, 2017

**FACTORLAW**

By: /s/ William J. Factor  
One of Its Attorneys

William J. Factor (6205675)

Z. James Liu (6313367)

**FACTORLAW**

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### CERTIFICATE OF SERVICE

I, William J. Factor, an attorney, hereby certify that on May 19, 2017, pursuant to Section II.B.4 of the Administrative Procedures for the Case Management/Electronic Case Filing System and Fed.R.Civ.P. 5(a), I caused copies of the foregoing *Notice of Application* and the accompanying *Application* to be served electronically through the Court's Electronic Notice for Registrants on all persons identified as Registrants on the below ECF Service List and by U.S. mail on all other persons identified on the US Mail Service List.

/s/ William J. Factor

### ECF SERVICE LIST

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**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

In re:

GERALEX, INC.,

Debtor.

Chapter 11

Bankruptcy No. 16-06479

Honorable Pamela S. Hollis

**FACTORLAW'S SECOND AND FINAL APPLICATION FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

1. By this Application, The Law Office of William J. Factor, Ltd. (“*FactorLaw*”) seek an order of this Court: (a) allowing and awarding FactorLaw on a final basis fees in the amount of \$4,265.00 for professional services rendered by FactorLaw as counsel for Geralex, Inc., now the reorganized debtor, (the “*Debtor*”), and reimbursement of actual and necessary expenses in the amount of \$123.34 incurred on behalf of the Debtor, during the period of March 1, 2017, through March 30, 2017 (the “*Application Period*”), and making final any amounts awarded in FactorLaw’s Amended First Fee Application. .

2. FactorLaw makes this Application pursuant to (a) 11 U.S.C. §§ 105(a) and 330, (b) Rule 2016 of the Federal Rules of Bankruptcy Procedure, (c) applicable provisions of the Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted by the Office of the United States Trustee, (d) Rule 5082-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Northern District of Illinois, and (e) other applicable case law, as further discussed herein.

**JURISDICTION**

3. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This matter is before the Court pursuant to 28 U.S.C. § 157 and Internal Operating Procedure 15(a) of the United States District Court for the Northern District of Illinois.

4. Venue of this Case and this Application is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. Consideration of this Application is a core proceeding pursuant to 28 U.S.C. § 157(b)(1) and (b)(2)(A) and (O).

5. The statutory predicates for the relief requested herein are 11 U.S.C. §§ 330 and 503.

### **BACKGROUND**

#### **I. Case background.**

6. The Debtor is an Illinois corporation with its principal place of business in Chicago, Illinois. The Debtor provides janitorial services to commercial and government facilities, such as airports and schools. It has been in business since 2003.

7. This bankruptcy case was filed on February 26, 2016.

8. Pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code, the Debtor continues to operate its business and manage its financial affairs as debtor-in-possession. No trustee, examiner, or committee has been appointed in the Case.

9. On April 26, 2016, the Court entered an Order authorizing the Debtor to retain FactorLaw effective as of February 26, 2016. *See* ECF Nos. 28 and 35.

10. On March 9, 2017, FactorLaw filed its First Interim Fee Application (the “First Application”), seeking an interim award of fees of \$57,062.50 and expenses of \$196.99.

11. On March 30, 2017, the Court entered an order on the First Application awarding to FactorLaw on an interim basis fees in the amount of \$50,000, and directing FactorLaw to file an amended First Application correcting certain errors. Contemporaneous with this Application, FactorLaw has filed an Amended First Application.

12. On March 30, 2017, the Court entered an order confirming the Debtor’s Fourth Modified Plan of Reorganization.

## II. Summary of services rendered by FactorLaw.

13. This Application is the second and application for compensation and expense reimbursement that FactorLaw has filed in the Case, as noted above. The fees for services (the “*Services*”) provided by FactorLaw during this Application Period are broken by professional as follows:

Professional	Title	Hourly Rate	Total Hours	Value
William J. Factor	Partner	\$375	6.0	\$2,250.00
Sara Lorber	Partner	\$325	1.2	\$390.00
James Liu	Associate	\$250	6.5	\$1,625.00
<b>Totals:</b>			<b>13.7</b>	<b>\$4,265.00</b>

14. FactorLaw maintains contemporaneous written records of the time expended by its professionals.

15. Such records for the Application Period set forth in detail: (a) the Services rendered by FactorLaw, (b) the dates upon which such Services were rendered; (c) the amount of time spent on the Services; and (d) the professionals who performed the Services, as reflected in **Exhibit A**.

## III. Breakdown of Fees by Category of Services Rendered.

16. For the Court’s reference, FactorLaw has categorized the Services it provided to the Debtor into the following categories: (a) General Case Administration, (b) Professionals; and (c) Plan and Disclosure Statement.

### A. General Case Administration (Exhibit A-1)

17. During the Application Period, FactorLaw expended 1.5 hours with a value of \$375.00 on behalf of the Debtor on matters relating to general case administration, including, but not limited to, communicating with the Debtor, UST’s office, creditors and parties in interest, reviewing and filing monthly



operating reports, preparing and prosecuting necessary motions, and attending court hearings.

18. A breakdown of the professionals providing Services in this category is as follows.

Professional	Title	Hourly Rate	Total Hours	Value
James Liu	Associate	\$200	1.5	\$375.00

**B. Professionals (Exhibit A-2)**

19. During the Application Period, FactorLaw expended 4.9 hours with a value of \$1,715.00, preparing and filing fee applications for the Debtor's special counsel, its accountant, and FactorLaw.

20. A breakdown of the professionals providing Services in this category is as follows:

Professional	Title	Hourly Rate	Total Hours	Value
William J. Factor	Partner	\$375	3.2	\$1,200.00
Sara E. Lorber	Partner	\$325	1.2	\$390.00
James Liu	Associate	\$250	.5	\$125.00
<b>Totals:</b>			<b>4.9</b>	<b>\$1,715.00</b>

**C. Plan and Disclosure Statement (Exhibit A-5).**

21. During the Application Period, FactorLaw expended 7.3 hours with a value of \$2,175.00 on the Debtor's plan of reorganization and disclosure statement, including, but not limited to, consulting with the Debtor and other parties in interest regarding the proposed reorganization, drafting the plan and disclosure

statement and amendments thereto, preparing and prosecuting a motion to set a combined hearing on approval of the disclosure statement and confirmation of the plan and taking steps to obtain an order confirming the Plan.

22. A breakdown of the professionals providing Services in this category is as follows:

Professional	Title	Hourly Rate	Total Hours	Value
William J. Factor	Partner	\$375	4.5	\$1,125.00
James Liu	Associate	\$250	2.8	\$1,050.00
<b>Totals:</b>			<b>7.3</b>	<b>\$2,175.00</b>

#### IV. Expenses.

23. FactorLaw incurred expenses of \$123.34. A detailed breakdown of the expenses is as follows:

Date	Expense	Amount
3/1/16	Postage expense for mailing of plan and disclosure statement	\$63.34
3/28/17	Postage expense for mailing of fee applications	\$56.00
<b>TOTAL:</b>		<b>\$123.34</b>

### DISCUSSION

#### I. FactorLaw's fees are reasonable and should be allowed.

24. Under Section 330(a)(1)(A), the Court may award the professional person "reasonable compensation for actual, necessary services rendered[.]" 11 U.S.C. § 330(a)(1)(A). Section 330(a) further provides:

In determining the amount of reasonable compensation to be awarded, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including – (A) the time spent on such services; (B) the

rates charged for such services; (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under [the Bankruptcy Code]; (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and (E) whether the compensation is reasonable, based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

25. In determining the “extent and value of compensation,” the Seventh Circuit endorses the “lodestar” approach – multiplying the number of actual and necessary hours reasonably expended by a reasonable hourly rate[.]” *In re Wildman*, 72 B.R. 700, 712 (Bankr. N.D. Ill. 1987) (Schmetterer, J.); accord *In re UNR Indus., Inc.*, 986 F.2d 207, 210-11 (7th Cir. 1993) (lodestar approach provides fair compensation under Section 330); *see also City of Burlington v. Dague*, 505 U.S. 557, 562 (1992) (“The ‘lodestar’ figure has, as its name suggests, become the guiding light of our fee-shifting jurisprudence. We have established a ‘strong presumption’ that the lodestar represents the ‘reasonable’ fee[.]”).

26. The Seventh Circuit has mandated that an “attorney’s actual billing rate . . . is considered to be the presumptive market rate.” *Small*, 264 F.3d at 707. Moreover, “[t]he lawyer’s regular rate is strongly presumed to be the market rate for his or her services.” *Moriarty v. Svec*, 233 F.3d 955, 965 (7th Cir. 2000) (emphasis added), *cert. denied*, 532 U.S. 1066 (2001).

27. Additionally, under generally accepted standards, if the services of an attorney employed under Section 327 are reasonably likely to benefit the estate, they should be compensable. *See Andrews & Kurth LLP v. Family Snacks, Inc. (In re Pro-Snax Distributors, Inc.)*, 157 F.3d 414, 421 (5th Cir. 1998); *In re Ames Dep’t Stores, Inc.*, 76 F.3d 66, 71 (2d Cir. 1996); 2 LAWRENCE P. KING, *Collier on Bankruptcy* ¶ 330.04 at 330-43 (15th ed. rev. 1999); *cf.* 11 U.S.C. § 330(a)(4)(A)(ii)(I). In this same context, “[n]ecessary services are those that aid the professional’s client in fulfilling its duties under the Code.” *In re Ben Franklin Retail Store, Inc.*, 227 B.R. 268, 270 (Bankr. N.D. Ill. 1998) (Barliant, J.).

28. The average hourly billing rate for the attorneys who performed the Services – that is, the “lodestar” rate – is \$311. This average rate is fair and reasonable in light of the Services provided and the experience of FactorLaw’s professionals. Moreover, the compensation requested by FactorLaw is reasonable based upon the customary compensation charged by comparably-skilled practitioners in either non-bankruptcy or bankruptcy cases.

## **II. Expense Reimbursement Standards.**

29. With respect to reimbursing expenses, the Court may award a professional person “reimbursement for actual, necessary expenses.” 11 U.S.C. § 330(a)(1)(B).

30. “An expense is necessary if it was incurred because it was required to accomplish the proper representation of the client.” *In re Spanjer Bros., Inc.*, 191 B.R. at 749.

31. The Expenses were the actual and necessary expenses incurred on behalf of the Debtor and FactorLaw respectfully submits that the Expenses were required to accomplish the proper representation of the Debtor and the estate.

## **III. Notice.**

32. No prior request for the relief requested by this Application has been made to this Court or any other court, except that FactorLaw has previously requested an allowance of fees on an interim basis, as set forth above.

33. This Application has been served on all creditors, the Office of United States Trustee and other parties in interest.

WHEREFORE, FactorLaw respectfully requests that the Court enter an Order (a) allowing and awarding FactorLaw on a final basis fees in the amount of \$4,265.00 and reimbursement of expenses in the amount of \$123.34 incurred during the Application Period, (b) authorizing the Debtor to pay the fees and expenses awarded as administrative expenses of the estate, (c) making any prior awards of fees final awards, and (d) granting such other and further relief as this Court deems just and appropriate.

Dated: May 19, 2017

**Respectfully submitted,**  
**FACTORLAW**

By: /s/ William J. Factor  
One of Its Attorneys

William J. Factor (6205675)  
Z. James Liu (6313367)  
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